U.S. Trade and Development Agency

Fiscal Year 2019 Congressional Budget Justification

Agency Overview

The U.S. Trade and Development Agency (USTDA)'s mandate is to support job creation at home and promote economic development abroad. USTDA does so by leveraging U.S. industry expertise to build mutually beneficial, trade- and investment-based partnerships with emerging markets. While this model of international development is still being adopted by some organizations, it has been central to USTDA's core mission for over two decades.

USTDA participates in this development paradigm shift by employing the knowledge, expertise and resources of the U.S private sector: an approach that helps emerging markets achieve their development goals while supporting our own economy. The Agency's work to link U.S. businesses to global infrastructure opportunities increases exports of U.S. goods and services – which, in turn, supports high-paying American jobs. From highlighting U.S. technologies and services during Agency-sponsored reverse trade missions, to connecting U.S. technical experts with overseas project sponsors, USTDA helps level the playing field for American companies to succeed in the global marketplace.

USTDA has received unqualified audit opinions in every year of its existence as an independent agency. USTDA's talented staff are among the most dedicated in the federal government, according to the 2017 Federal Employee Viewpoint Survey.

Increasing U.S. Exports, Supporting U.S. Jobs

USTDA's mission to provide infrastructure development assistance to emerging economies by leveraging the resources of the U.S. private sector helps increase U.S. exports to overseas markets and supports high-paying jobs here at home. In fact, since 2009, USTDA's export multiplier has increased from $35 to $95 in U.S. exports generated for every dollar programmed. The Agency's results in FY 2017 demonstrate its export promotion and job creating performance.

$4.6B
New U.S. exports identified in FY 2017

26,000
Estimated U.S. jobs supported by exports indentified in FY 2017

$61B
Total U.S. exports generated by USTDA programs since the Agency's inception in 1992

$95
U.S. exports generated for each dollar invested [1]

---

[1] As measured by the ten-year period from January 1, 2005 through December 31, 2014. The Ten Year Rolling Average (TYRA) is a ten-year interval of time used to report the outcomes resulting from USTDA's program. Because USTDA finances early-stage project preparation activities, it typically takes years for the Agency's activities to produce U.S. exports. As such, this interval of time is used to capture a meaningful and relevant representation of the Agency's results.

As part of its comprehensive effort to support job creation across the country, USTDA continued its commitment to its signature Making Global Local program, which is the centerpiece of the Agency's domestic outreach strategy. Designed to support U.S. jobs by increasing the number of U.S. businesses that benefit from USTDA's export promotion programs, Making Global Local enables the Agency to connect with companies of all sizes across the country. USTDA has established Making Global Local partnerships with nearly 80 state and local trade promotion organizations in strategic locations across the United States. These organizations provide the Agency with market intelligence on their local business communities, including key industry clusters, cutting-edge manufacturers and innovative service providers – many of which are small and medium-sized enterprises (SMEs) – in order to connect U.S. businesses with foreign buyers.

Budget Request & Justification

The Administration believes that the Agency's mission is more appropriately served by the private sector. As part of its efforts to streamline functions and close programs across government, the Administration respectfully requests $12.1 million in budgetary resources for FY 2019 to provide for an orderly wind-down of operations of the U.S. Trade and Development Agency. While the Administration wants U.S. businesses to invest in emerging markets to grow their businesses and create American jobs, these businesses have incentive to invest and should rely on private sector financing. In general, the United States should not provide taxpayer subsidies except in rare situations, such as when limited support is needed to offset inappropriate subsidies that disadvantage U.S. businesses. In fact, supporting select U.S. businesses over others puts the Government in the business of picking winners and losers, potentially distorting the free market.

Termination Expenses

The Agency conducted a thorough, line-by-line analysis of costs necessary to conduct an orderly wind-down to terminate agency functions in FY 2019. These costs are broken out below, and amount to an **operating budget of $12.1 million in FY 2019**.

Personnel Expenses – $5.8 million

This amount includes termination costs for employee severance packages, retention of essential personnel to close-out operations and contracting assistance necessary to facilitate an orderly shutdown of the Agency.

Real Property Expenses – $4.5 million

The total real property costs necessary for an orderly wind-down amount to $4.5 million, which includes rental payments for FY 2019 and contractual "buyout" costs for early termination of the Agency headquarters' lease at the end of FY 2019.

Miscellaneous Expenses – $1.8 million

The miscellaneous expenses include costs such as fulfilling requirements for archiving, scanning and records management; close-out of overseas offices including ICASS and CSCS obligations; support through shared service agreements for shutdown activities; and financial close-out costs related to closing-out grant activities and a final financial audit.

Proposed Appropriations Language

TRADE AND DEVELOPMENT AGENCY

For necessary expenses to carry out the closure of the Trade and Development Agency, $12,105,000.

Note.—A full-year 2018 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the current continuing resolution. The amounts included in Appendix A for FY 2018 reflect the annualized level provided by the continuing resolution.

Appendix 1

U.S. Trade and Development Agency
FY 2019 Core Budget Overview Summary

	FY2017	FY2018	FY2019
Operating Expenses	**Actual**	**Estimate**	**President's Budget**
11.1 Full Time Permanent	4,761,040	4,835,000	1,681,190
11.3 Other Than Full Time Permanent	1,239,336	1,265,000	460,000
11.5 Other Personnel Compensation	83,906	85,000	2,957,600
11.9 Total Personal Srvcs Pymnts	6,084,282	6,185,000	5,098,790
12.1 Civilian Personnel Benefits	1,716,159	1,800,000	658,250
Total Salaries and Benefits	7,800,441	7,985,000	5,757,040
23.1 Rental Payments to GSA	1,446,667	586,700	4,500,000
21.0 Travel and Transportation	690,982	705,000	0
23.3 Communications, Util & Misc	79,155	91,000	0
23.3 Communications, Postal Fees & Mail Service	156,000	16,000	0
24.0 Printing and Reproduction	40,000	100,000	0
25.1 Consulting Services	4,476,073	6,195,000	847,350
25.2 Other Services	167,159	350,000	415,310
25.3 Inter-Agency Reimb. Agreements	2,422,424	1,788,000	1,780,700
25.4 Operation and Mgt. of Facilities	11,080	5,500	0
25.7 Equipment Maintenance	49,436	63,000	141,700
26.0 Supplies and Materials	377,470	147,000	0
31.0 Furniture and Equipment	663,679	231,000	0
32.1 Leasehold Improvements	2,144,517	806,000	0
Carry-over & De-obligations	674,917	-1,069,200	-1,342,100
Total Operating Expenses - Core Budget Obligations *	**21,200,000**	**18,000,000**	**12,100,000**
Program Funds - Core Budget Obligations	**53,800,000**	**57,000,000**	**0**
Total Core Budget	**75,000,000**	**75,000,000**	**12,100,000**
Personnel Ceiling	57	57	15
Temporary Personnel (Power Africa)	4	4	0